

**Testimony to Medicaid Revitalization Committee**  
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Members of the Medicaid Revitalization Committee: Good morning. My name is John Morgan, Senior Policy Analyst with Voices for Virginia's Children. Thank you for the opportunity to comment regarding potential revisions to the Medicaid program.

Voices recommends your consideration of three changes that will benefit Virginia's children.

First: Expand Coverage for Pregnant Women

In 2005 the Virginia General Assembly created and funded the FAMIS Moms program to provide coverage to pregnant women with income up to 150% FPL. In 2006 the eligibility level was increased to 166% FPL. We commend the General Assembly for creating this program and for the increase in eligibility this past session.

Voices advocates an expansion of FAMIS Moms eligibility to 200% of the FPL. Currently FAMIS covers infants up to 200% of the FPL, but pregnant women only to 166% FPL. Therefore, some babies covered by FAMIS are born to mothers who could not access prenatal care through Medicaid or FAMIS Moms. Aligning eligibility for both programs at 200% of FPL would ensure that the mothers of all babies covered by FAMIS have had access to adequate pre-natal care. This would potentially save money by reducing any indigent care costs associated with those uninsured mothers, and also by improving pregnancy outcomes and infant health in this group of FAMIS babies. Note that money invested in FAMIS Moms does bring in a federal match - every \$1 that Virginia spends will bring in an additional \$2 from the federal government.

Another important yet politically sensitive issue is the provision of prenatal care to pregnant women who are not citizens. While most non-citizens are not eligible for Medicaid or FAMIS Moms coverage until the time of delivery, many of their babies will be covered under FAMIS Plus or FAMIS. Again, because these women have limited access to prenatal care, the state could end up paying higher costs associated with infant health problems that could have been prevented through regular prenatal care. Voices advocates improving the health status of these infants covered by FAMIS by expanding eligibility to non-citizen pregnant woman who otherwise would be eligible.

Second: Expand Coverage for Low-Income Parents

Virginia's Medicaid income eligibility limits for parents, relative to most other states, are extremely restrictive. Depending on locality, eligibility ranges from just 22-30% of the FPL. The 2006 FPL for a family of 4 is \$20,000, so in Virginia only those parents making less than approximately \$5,000 per year are eligible. Expanding coverage will reduce the number of uninsured parents and support their participation in the workforce. But here's the important connection to children's health: Research indicates that when states expand coverage to parents, those parents are then more likely to enroll their eligible children in coverage. So one indirect benefit of expanding coverage to low income parents is an increase in the number of covered children, which of course

improves their health status. Therefore, to improve the health status of low-income children, Voices supports an increase in Medicaid eligibility for parents to at least 50% of FPL.

Third: Create Medicaid and SCHIP Buy-in Programs

Voices strongly recommends a buy-in program, as allowed by the federal Family Opportunity Act, for families of children with disabilities whose family income is below 300% of the FPL. Enacting a buy-in program will support currently uninsured families who are forced into poverty to pay for expensive medical care out-of-pocket.

Finally, while this Committee's focus is not on reimbursement rates, Voices requests that you recommend a rate study for Medicaid behavioral health services, particularly for outpatient psychiatric care, behavioral health care services provided by primary care physicians, acute inpatient hospitalization, day treatment services, and intensive in-home family services.

We recommend these enhancements as sensible steps to improve the health status of Virginia's children.

Thank you.